GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:4366
ANSWERED ON:11.08.2017
CSR in Non-Industrial Areas
Ram Shri Vishnu Dayal

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether there are such districts in the country where there is neither any factory nor any industry and due to which the developmental works cannot be undertaken there under Corporate Social Responsibility (CSR) and if so, the details thereof;

(b) whether CSR funds are provided only in such areas where factories/industries are located and if so, the details thereof;

(c) whether in such circumstances, the Government proposes to change the CSR guidelines/expenditure rules for providing CSR Funds to those districts so that contribution of companies/industries can be obtained for providing drinking water, development of educational institutions and healthcare, etc. in those areas; and

(d) if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE
MINISTRY OF CORPORATE AFFAIRS (SHRI ARJUN RAM MEGHWAL)
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(a) to (d): The activities to be carried out by companies under CSR provisions of Companies Act, 2013 are not restricted to areas where factories/ industries etc. are located. The first proviso to Section 135 (5) of the Companies Act, 2013 states that "the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities". Section 135 (3) & (4) of the Companies Act, 2013, empowers the Board of the company to take decisions with respect to the allocation of CSR funds, CSR programmes / projects to be undertaken including the area where the works are to be undertaken under such programme /projects. Schedule VII of the Act, enlists the activities that can be undertaken by the companies under their CSR policies. As such there is no proposal to change the Companies (Corporate Social Responsibility Policy) Rules, 2014 on this account.
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